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Letter dated 6 August 2000 from the Permanent Representative of Iraq to the United Nations addressed to the President of the Security Council

On 6 August 1990 sweeping sanctions were imposed on Iraq under Security Council resolution 661 (1990). These sanctions, *inter alia*, prohibited Iraq from exporting goods of any kind and froze its overseas assets, and Iraq was not permitted to obtain funds for the purchase of food and medicine, let alone for the payment of its contributions to the international organizations of which it is a member.

In view of Iraq's inability to pay its contributions in hard currency, given that it does not have the necessary financial resources owing to the comprehensive embargo being maintained against it, the contributions due from it to the budget of the United Nations came to exceed the amount stipulated in Article 19 of the Charter. The arrears in Iraq's contributions to the budgets of many other international organizations have also mounted, and these organizations include the Organization of the Petroleum Exporting Countries (OPEC). In connection with its contributions to the United Nations budget, Iraq has since 1994 been submitting regular requests to the Committee on Contributions for exemption from the provisions of Article 19 of the Charter until such time as the sanctions are lifted or for the payment of its contributions to be made in local currency, as had been the case until 1992. A certain State member of the Committee on Contributions, however, has opposed these requests for political reasons. The most recent request Iraq submitted to the Committee on Contributions was that of 19 October 1998 (A/C.5/53/28), which was considered by the Committee at its special session held from 8 to 12 February 1999. In paragraph 64 of its report (A/53/11/Add.1), the Committee states as follows:

> "In addition, there was some discussion of whether the outstanding assessments of Iraq could be met from the sale of Iraqi oil, as was the case with the Compensation Commission and the oil-for-food programme. Some members felt that it would be worth exploring this possibility."

In accordance with this recommendation, on 9 June 1999 the Minister for Foreign Affairs of Iraq addressed a letter to the Secretary-General of the United Nations requesting that consideration be given to the possibility of Iraq's arrears being paid from the revenues derived from Iraqi oil exported under the memorandum of understanding and the oil-for-food programme. In his letter dated

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28 June 1999, the Secretary-General replied that the matter was not within his purview but within that of the Security Council.

On 5 January 2000, we addressed a letter to the President of the Security Council (S/2000/7) in which we requested the Council to give urgent consideration to the matter and to approve the allocation of a sum of 24 million dollars from the Iraq account established pursuant to Security Council resolution 986 (1995) and the memorandum of understanding of 20 May 1996 and, specifically, from the 53 per cent and 13 per cent accounts, for payment of the arrears in Iraq's contributions to the United Nations budget and in its contributions to the OPEC budget. At its consultations held on 7 February 2000, the Council considered Iraq's request and a large number of its members expressed their support. One State, namely the United States, expressed reservations on the grounds that revenues under the Programme were intended only for humanitarian items, compensation payments and the other disbursements for which provision is made in resolution 986 (1995).

On 10 April 2000, we addressed another letter to the President of the Security Council (S/2000/302) in which we requested that Iraq's contributions be taken from the 2.2 per cent sub-account of the Iraq account, that designated for administrative and operational purposes, in which there was a surplus of more than 212 million dollars.

The President of the Security Council for May 2000 held bilateral consultations on this request, and he informed us that there had been no agreement among the members of the Council on the payment of Iraq's contributions from the funds accumulated in the 2.2 per cent account. We learned that it was the United States that had opposed this proposal.

In view of the paramount importance Iraq attaches to the payment of the arrears in its contributions to international organizations, and particularly the United Nations, we request the Security Council to consider once more Iraq's legitimate request that its financial contributions to international organizations should be paid from the net funds that have accumulated in the 2.2 per cent account, particularly since Iraq's payment of its arrears to the United Nations would help to alleviate the financial crisis of the Organization.

The persistence of the United States in rejecting this legitimate request made by Iraq in the past only reflects the extent of its arrogance and arbitrariness, which offend against all reason. According to the figures for the Iraq account given by the Treasurer on 21 July 2000, of the 29.7 billion dollars realized from the sale of Iraqi oil under the Programme since it first went into effect at the end of 1996, 8.9 billion went for compensation, 634 million for administrative and operational expenses (the 2.2 per cent account) and 215 million for the account of the defunct Special Commission (the 0.8 per cent account). A sum of several hundred million dollars is thus surplus and lies dormant in the account for administrative and operational expenses and the account for the defunct Special Commission. Why does the United States not allow Iraq to pay its contributions to the United Nations from these Iraqi funds? Why are 8.9 billion dollars paid to the Compensation Fund while the United Nations is being deprived of the arrears in Iraq's contributions, which amount to less than 13 million dollars?

I request the Security Council to consider Iraq's legitimate request at its earliest possible meeting.

I should be grateful if you would have this letter circulated as a document of the Security Council.

(*Signed*) Saeed H. **Hasan**
Permanent Representative